EBAG Budget Prioritization Methodology

Overview for FY 2026–27 and Multi-Year Planning

UCLA's financial environment requires discipline, transparency, and mission-aligned decision-making. This methodology establishes a consistent, campus-wide approach for evaluating new requests and ongoing commitments within a constrained central budget, while aligning necessary fiscal restraint with opportunities for growth, long-term vitality, and institutional resilience.

1. Core Principles

All decisions are guided by the following principles:

- Academic mission first
- Strategic alignment with campus priorities
- Transparency, fairness, and rationality
- Long-term sustainability and financial resilience
- Shared accountability and incentives for responsible planning
- A **One UCLA** perspective that recognizes institutional interdependence and structural diversity.

Initial premise: Units must operate within their approved budgets. New central funding is not assumed and must be justified through the full decision process, including unit stewardship and clear institutional value.

Strategic priorities referenced below include the Chancellor's four core initiatives and their alignment with the Strategic Plan's five goals, including growth in research impact, student access and success, public mission, and financial sustainability.

2. Stepwise Decision Tree

Step 1 — Core Criteria Gate

Is the request:

- Required legally or by policy (regental, presidential, campus, accreditation, or regulatory)?
- Essential to the academic mission, including:
    - Students access required courses and timely progress.
    - Research and scholarly capacity supporting competitiveness and training.
    - Professional licensure, certification, and accreditation requirements
- A binding institutional or donor commitment (including endowed positions)?
- Necessary for health, safety, or institutional risk mitigation?

If no → Decline or defer
If yes → Proceed to Step 2

Step 2 — Unit Accountability and Stewardship

Has the unit:

- Reprioritized internally and aligned resources with core academic priorities?
- Demonstrated fiscal discipline and forward-looking sustainability planning?
- Avoided incentives that defer difficult decisions or shift structural costs prematurely to the center?

If yes → Eligible for central funding consideration
If no or partial → Proceed to Step 3

Step 3 — Alternatives, Redesign, and Academic Integrity

Can the need be addressed through:

- Lower-cost or revenue-generating approaches?
- Reduced scope, phased sequencing, or shared services?

- Redesign that preserves academic quality, accreditation standards, and student progression.

If yes → Modify and reassess
If no → Proceed to Step 4

Step 4 — Marginal Impact and Value Test

Would additional investment meaningfully advance:

- Academic mission and instructional continuity
- Research competitiveness and discovery translation.
- Student success and access
- Risk reduction
- Revenue generation, cost avoidance, or long-term returns
- Patient care or community impact

Low marginal impact → Defer or decline
High marginal impact → Proceed to Step 5

Step 5 — Strategic Alignment and Growth Filters

Assess strength of alignment with:

- Chancellor's core initiatives
- Strategic Plan goals
- Research and scholarship excellence, including commercialization and innovation pathways.
- Teaching and learning
- Student experience
- Revenue growth or cost avoidance potential
- Patient care and community impact
- Equity and inclusive excellence
- Risk of deferral, including opportunity cost

Weak alignment → Defer
Strong alignment → Proceed to Step 6

Step 6 — Financial Risk, Structural Context, and Opportunity Cost

Would funding:

- Create long-term liabilities or structural deficits?
- Exacerbate cash pressures or reduce flexibility?
- Crowded out with higher-value institutional opportunities?

Assessment explicitly considers structural differences across units (e.g., fixed costs, market-sensitive compensation, clinical or accreditation requirements, revenue-generating models).

Unacceptable risk → Decline or modify
Acceptable risk → Proceed to Step 7

Step 7 — Tier Placement, Timing, and Governance

Requests are categorized as:

- **Tier 1:** Essential and non-discretionary
- **Tier 2:** Strategic imperatives with high institutional value
- **Tier 3:** High value but appropriate for phased or sequential implementation
- **Tier 4:** Discretionary or deferrable

Tier placement is documented, time-bound, and reviewed for cumulative impact across cycles to avoid unintended program erosion.

Step 8 — Final Determination

Outcomes may include:

- Fund fully
- Fund partially (phased or scoped)
- Modify with conditions
- Defer to a future cycle
- Decline